

GLOBAL EXPANSION OF PRIVATE HIGHER EDUCATION EDITORIAL

Brazil's Private Higher Education: Equity and Distance Learning

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This study explores the complexities of Brazil's higher education system, characterized by the dominance of private, for-profit institutions, the expansion of distance education, and persistent challenges in ensuring quality and equity. We analyze the historical and political factors that have shaped this landscape and discuss their implications for public policy, particularly in the context of the Lula administration.

Brazil's higher education system is dominated by private institutions, which account for approximately 80 percent of total enrollments. The philanthropic sector has been reduced to a few religious and community-based institutions, while the for-profit sector is dominated by a small group of large teaching conglomerates with shares listed in stock exchanges. As of 2023, 10 companies enrolled about 37 percent of the country's total enrollments, providing mostly low-cost distance education. Data on total and new enrollments in in-person and distance education—42 percent and 58 percent, respectively—indicate that the prevalence of distance education is growing.

Historical Context and Comparison with Latin America

The presence of private higher education in Brazil is not a recent development. The current trend was set in the 1960s when legislation established that higher education should be provided through selective universities staffed by full-time, research-oriented academics. Only the federal government and a few rich states, such as São Paulo, could meet these standards. As Brazil transitioned from elite to mass higher education, public institutions proved too expensive and restrictive to accommodate the rising demand, opening the door for private institutions to expand. This differed from the experience of most Latin American countries, where public universities were accessible to most students who completed secondary education, and massive private expansion would follow.

The Lula and Bolsonaro Years

In the 1990s, under president Cardoso, the Brazilian government decided to allow private higher education to operate as for-profit institutions, creating a market in which richer and more efficient institutions could buy the smaller ones. Historically, the Workers Party under presidents Lula and Rousseff (2003–2018) had strong support in public universities and looked at the private sector with

mistrust. However, one of the priorities of the Lula government was to expand access to higher education, which could be better done through the private sector. Two instruments were used for that: the "University for All" program (ProUni), which granted tax exemptions to private institutions in exchange for student fellowships; and a lenient student loans program (FIES) that, at the height of its implementation in 2014, paid the tuition of about 40 percent of students entering private higher education. Efforts were also made to create new federal universities and expand access to existing ones, but these had a much smaller impact.

To deal with social inequity in the public sector, new legislation passed in 2012 required federal universities to reserve 50 percent of their vacancies for affirmative action students. The percentage of nonwhite ("pretos" and "pardos") students increased in the first period from 22 percent to 50 percent, with more than 60 percent of the students coming from public schools (a proxy for low-income students).

All policies aimed at expanding public resources were impacted by the economic crisis that began in 2015, which strained the federal budget. The student loan program faced severe cuts, prompting the private sector to shift investments toward distance education. Additionally, the anticipated investments for continuing the expansion of federal universities failed to materialize.

Jair Bolsonaro was elected in 2022 with a right-wing, libertarian platform focused on criticizing public sector corruption, advocating free markets, and promoting conservative values. He and his supporters viewed the scientific community and public universities as influenced by left-wing ideologies. During the pandemic, his government adopted an antiscientific stance, resisting vaccine rollout and opposing social isolation measures implemented by state governments. Public universities faced budget cuts that impacted salaries and routine operations.

Upon taking office in 2023, Lula's administration focused on several key priorities reminiscent of his previous terms: financing,

expansion, equity of access, and regulation. He also dealt with graduate education and research issues.

Financing and University Autonomy

Federal universities make up 13 percent of total enrollments. The 121 institutions cost about USD 9 billion a year. The total budget of the ministry of education is equivalent to USD 24 billion. Most of these resources—80 to 90 percent—are used to pay salaries and retirement entitlements to the university's academic and administrative staff, who enjoy job stability. Current expenses account for another 10 to 15 percent, leaving little room for investments. The new government succeeded in securing funding for salaries and routine maintenance but not for investments or salary increases, leading to a prolonged strike in 2023 by university staff and professors in most campuses.

Brazilian law grants universities autonomy, yet public institutions remain tightly controlled by the government regarding resource access and management. Proposals to make them more autonomous and accountable for their results, however, face resistance from within the academic community, which fears that such innovations could lead to privatization.

Enrollment rates in Brazilian higher education are still low by international standards, with recent growth due mostly to private distance education. Yet, in 2024, the government decided not to allow the creation of new distance education programs. The long-term effectiveness of this measure is uncertain, and the government is suffering from legal and political pressure to establish clear standards to serve as a reference for the operation of this type of educational service.

The New Elite Private Institutions

The financial travails of federal universities and changes in the social composition of their student body opened the space for the

establishment of a new, small segment of elite institutions, particularly in business administration, economics, engineering, and medicine. Some of these institutions are philanthropic, rely on support from the business sector, and combine expensive tuition fees and fellowships for talented applicants. Belatedly, Brazil follows the experience of many other Latin American countries, in which the private sector caters to elites, leaving the public sector for the larger and poorer sectors of the population.

Graduate Education and Research

Brazil stands out in the region due to its large graduate education and research sector, primarily housed within public universities. In 2013, nearly 400,000 master and doctoral students were enrolled in close to 5,000 programs, all tuition-free, with many receiving fellowships. Many of these programs are also prominent research centers. Additionally, an estimated 1.5 million students are enrolled in unregulated, postgraduate programs at private institutions, which primarily focus on professional training or skill development, such as MBAs.

Conclusion

Brazil's heavily private system of higher education highlights complex interactions between market incentives, regulations, and technological innovation. The future remains uncertain, as the government grapples with the challenges of improving distance education quality, maintaining equity policies, and balancing public and private sector roles. Whether stakeholders, especially the federal government, will succeed in addressing these issues and ensuring a well-regulated system that serves the needs of students and society remains unclear.

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